Price control application on drugs

2630. DR. H. P. SHARMA : Will the Minister of INDUSTRY be pleased to state :

(a) whether Government's attention has been drawn to the news item which appeared in the 'Economic Times' of 15th November, 1986 captioned 'Mark up may be revised';

(b) if so, whether it is a fact that Government are proposing to reduce the span of price control on drugs;

(c) if so, what are the details of such proposal;

(d) whether it is also a fact that the prices of present decontrolled medicines have been increased from 100 per cent to 500 per cent; and

(e) if so, how the availability of medicines will be ensured at reasonable prices ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH) : (a) Yes, Sir.

(b) to (e) The entire issue of price control of drugs is under examination of the Government.

Setting up DMT and PTA plants

2631. SHRI BIR BHADRA PRATAP SINGH : Will the Minister of INDUSTRY be pleased to state :

(a) what are the details of the letters of intent and industrial licences issued to IPCL, Haldia and Bombay Dyeing during the last three years for setting up DMT and PTA plants in the country;

(b) what is the number of cases in which the formalities regarding commencement of production has not been fulfilled; and

(c) whether in order to keep pace with plan target, Government propose to allot work to other concerns ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH) : (a) The licenced capacity for production of DMT for Bombay Dyeing and Manufacturing Company Ltd. and IPCL is 100,000 tonnes/annum and 40,000 tonnes/annum respectively. M/s. Haldia Petrochemicals Ltd. have not applied for the grant of an industrial licence to manufacture DMT/PTA.

(b) Both M/s. Bombay Dyeing & IPCL have already gone into production.

(c) Following parties have also been granted letters of intent/industrial licences for the manufacture of DMT/PTA :

—Bongaigaon Refinery and Petrochemicals Ltd.	45,000 tonnes per annum of DMT.
M/se Reliance Industries Ltd.	100,000 tonnes per annum of PTA.
—The Pradeshiya Industrial and Investment Corporation of U.P. Ltd.	150,000 tonnes per annum of PTA.

Import of cephalexin

2632. SHRI MUKHTIAR SINGH MALIK : Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that certain drug companies have imported cephalexin duty free and sold in the market on heavy premium during the last three years;

(b) if so, what are the names of such drug companies which have imported cephalexin duty free during the same period; and

(c) total quantity imported under such process during the same period and the prices at which it was sold ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PERO-CHEMICALS IN THE MINISTRY

OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH) : (a) The imports of Cephalexin are allowed under open general licence to the actual users. The level of Custom Duty presently levied on the import of Cephalexin is 100% *advalorem*. Imports were allowed duty free upto last year. No instances of sale of Cephalexin by the importers of the drug have come to the notice of my Ministry.

(b) and (c) Do not arise.

Customs duty on bulk drugs

2633. SHRI MUKHTIAR SINGH MALIK : Will the Minister of INDUSTRY be pleased to state :

(a) what is the customs duty levied on penultimates, intermediates and finished bulk drugs at present;

(b) whether it is a fact that Government have recommended reduction of customs duty on the intermediates of Rifampicin, Cephalexin, certain other bulk drugs which are imported from foreign countries, so as to reach such medicines to common men; and

(c) what is the main creteria on which the level of duty is recommended by Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH) : (a) Normal rate of customs duty on intermediates and penultimates is 141.5% *advalorem* and on bulk drugs it is 100% *advalorem*.

(b) Intermediates required for the production of Rifampicin are already levied zero of customs duty. Request for reduction of customs duty on inter-mediates required for the production of Cephalexin have since been received.

(c) The main considerations for making charges in the normal rate of custom duty on drugs are :

(i) Encouragement of domestic production.

(ii) to make available essential and life saving medicines which are not produced in the country at cheap prices.

(iii) to make available domestically produced bulk drugs and their formulations at cheap prices by leving lower rate of custom duty on inputs used for their production.

Reorganising laboratories

2634. SHRI K. VASUDEVA PANICKER : Will the Minister of INDUSTRY be pleased to state :

(a) whether Government propose to take steps to reorganise and improve the work of laboratories of major drug industries in order to improve the quality of drugs and to provide increased testing facilities;

(b) if so, what are the details thereof; and

(c) the steps Government are taking to ensure integrity of laboratories when they give findings about qualities ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH) : (a) to (c) It is obligatory under the Drugs and Cosmetics Act, 1945 and rules thereunder for every manufacturer to carry out tests of strength, quality and purity of substances at a testing unit which shall be separate from the manufacturing unit. In addition, the State Drug Control authories are responsible for enforcing quality control of drugs manufactured, sold and distributed in their States. It is also provided in the said Rules that the head of the testing unit shall be independent of the head of the manufacturing unit.

2635. [*Transferred to the 3rd December*, 1986.]